## SOCIETY OF ARTS.

WEDNESDAY EVENING, JAN. 22—W. H. Bodkin, Esq., M.P., V.P., &c. In the chair.

Bennett Woodcroft and J. Havers, Esqs., were elected members.

The secretary read a paper by M. Claudet, "On the progress of the various branches of Photography."

The author treated of the improvements which the art of Talbotype and Daguerreotype have undergone during the past year. Also, mentioning many new processes, and describing a discovery of his own connected with the optical part of the subject, by means of which great and hitherto unattainable facility is given to obtaining a sharp and defined picture. The most interesting part of the paper, however, was that which treated of the new process of engraving the Daguerreotype image, so that it may produce a great number of copies, in the same manner as a plate engraved by the usual method. The process consists in biting away (by certain means described by the author) the dark parts of the picture, so that they may retain ink, and admit of being printed by the ordinary process of copper-plate printing.

## FLOOR-TILES.

WE have been favoured with a specimen of glazed flooring tiles from Scinde, of such superior quality and beauty to any procurable in Bombay, that the subject of their importation seems well worthy of the consideration of the mercantile community. The aspect of the tiles must be familiar to most of those who have been on the Indus—specimens, indeed, are plentiful in Bombay. Those before us are 6¼ inches square, and ¾ of an inch thick, admirably well-baked, and glazed blue and white, like old Dutch ware. One hundred will furnish 3¼ yards of pavement for 2½ Rs. of price. The glaze is a true vitreous one, as perfectly made and applied apparently, as that on European earthenware. The floors of our lobbies and verandahs are here at present generally composed of blocks of trap, rough, cold, and comfortless-looking, though sufficiently strong and substantial, or of tiles imported from China. The stone is at once unseemly and expensive, and would rarely be employed could a more elegant and economical substitute be found. The Chinese tiles are 14 inches square, and cost from 15 Rs. to 25 Rs. per 100. Or taking 20 Rs. as the average price, and assuming that something less are required to the square yard than seven tiles, at a cost of about Rs. 1: 12 annas a yard—more than double the price of the Scindian tiles, which can, it is said, be imported here for betwixt 2 and 3 Rs. a hundred—equivalent to 3¼ yards of flooring, which will, on an average, cost less than 13 annas a yard. A verandah, or lobby, 15 feet by 30, could be paved with them for about 70 Rs., chunam, pavior work, and all. They would exceed the Chinese tiles as well in strength as in cleanliness and beauty.—*Bombay Times*, Nov. 23.

## BUILDING SOCIETIES, LOAN COMPANIES, AND SAVINGS' BANKS.

BY WILLOUGHBY WILTON.

*(Concluding Letter.)*

*Snug.* "You never can bring in a wall. What say you, Bottom?"

*Bottom.* "Some one must present wall."

MIDSUMMER NIGHT'S DREAM.

THE Editor of THE BUILDER has received a letter from "H. S." on the subject of our remarks in previous letters respecting building societies. As our object is truth, not victory, we most willingly receive any light which can be thrown on this abstruse subject. Acting on this principle, we will consider it our duty calmly and independently to admit and criticise such attacks as may be made upon our position, until we shall be shifted from it by numbers—not of assailants, but of truth-telling figures. But to cut this preamble short, the letter of "H. S." reads thus:—

TO THE EDITOR OF THE BUILDER.

SIR,—I have read the letters of Mr. Wilton in your periodical on building societies, and although he has stated sufficient to act as a caution to the public, yet, as it appears to me, he has fallen into some errors, which needlessly make those societies appear worse than they would really seem to be, and consequently of greater disadvantage to the borrowers. Having no connection with any of these societies, I know nothing of their plan of operation, beyond what one may glean from their rather ambiguous prospectus; far from thinking, however, with your correspondent that a period of seventeen years is required, I am inclined to believe that a society may finally terminate in ten years, and also yield a large return of profit to those members, who become, in fact, lenders of money.

Let us suppose a society holding 100 shares. The terms are that 10*s.* per month per share shall be paid, and in addition 4*s.* per month for interest on those shares upon which money has been advanced. The shares being nominally 120*l.* each, we will further suppose that the borrower agrees to a deduction of 63*l.* by way of bonus, and obtains 57*l.* for his share. The account will then stand thus:—*

| | £. s. d. | | £. s. d. |
|---|---|---|---|
| 1st year, Subscriptions of 100 shares ..... | 600 0 0 | 10 shares at 57*l.* each ..... | 570 0 0 |
| | | Balance .. | 30 0 0 |
| | £600 0 0 | | £600 0 0 |
| 2nd year, Balance | 30 0 0 | 11 shares at 57*l.* each ..... | 627 0 0 |
| Subscriptions .... | 600 0 0 | Balance .. | 27 0 0 |
| Interest on 10 shares ..... | 24 0 0 | | |
| | £654 0 0 | | £654 0 0 |
| 3rd year, Balance | 27 0 0 | 11 shares at 57*l.* each ..... | 627 0 0 |
| Subscriptions .... | 600 0 0 | Balance .. | 50 8 0 |
| Interest on 21 shares ..... | 50 8 0 | | |
| | £677 8 0 | | £677 8 0 |
| 4th year, Balance | 50 8 0 | 12 shares at 57*l.* each ..... | 684 0 0 |
| Subscriptions .... | 600 0 0 | Balance .. | 43 4 0 |
| Interest on 33 shares ..... | 76 16 0 | | |
| | £727 4 0 | | £727 4 0 |
| 5th year, Balance | 43 4 0 | 13 shares at 57*l.* each ..... | 741 0 0 |
| Subscriptions .... | 600 0 0 | Balance .. | 7 16 0 |
| Interest on 44 shares ..... | 105 12 0 | | |
| | £748 16 0 | | £748 16 0 |
| 6th year, Balance | 7 16 0 | 13 shares at 57*l.* each ..... | 741 0 0 |
| Subscriptions .... | 600 0 0 | Balance .. | 3 12 0 |
| Interest on 57 shares ..... | 136 16 0 | | |
| | £744 12 0 | | £744 12 0 |
| 7th year, Balance | 3 12 0 | 8 shares at 57*l.* each ..... | 456 0 0 |
| Subscriptions .... | 600 0 0 | Balance .. | 315 12 0 |
| Interest on 70 shares ..... | 168 0 0 | | |
| | £771 12 0 | | £771 12 0 |
| 8th year, Balance | 315 12 0 | 22 shares at 121*l.* 13*s.* 9*d.* | 2677 2 6 |
| Subscriptions .... | 600 0 0 | Balance .. | 0 1 6 |
| Interest on 79 shares ..... | 187 4 0 | 100 shares. | |
| 9th year, Subscriptions ..... | 600 0 0 | | £2677 4 0 |
| Interest on 78 shares ..... | 187 4 0 | | |
| 10th year, Subscriptions .... | 600 0 0 | | |
| Interest on 78 shares ..... | 187 4 0 | | |
| | £2677 4 0 | | |

GENERAL ACCOUNT.†

| | | | |
|---|---|---|---|
| 10 years sub. .... | £6000 0 0 | 78 sh. at 57*l.* each | £4446 0 0 |
| 9 do. Int. on 10 sh. | 216 0 0 | 22 do. 121*l.* 13*s.* 9*d.* | 2677 2 6 |
| 8 do. do. 11 do. | 211 4 0 | Balance .... | 0 1 6 |
| 7 do. do. 11 do. | 184 16 0 | | |
| 6 do. do. 12 do. | 172 16 0 | 100 | £7123 4 0 |
| 5 do. do. 13 do. | 156 0 0 | | |
| 4 do. do. 13 do. | 124 16 0 | | |
| 3 do. do. 8 do. | 57 12 0 | | |
| 78 | £7123 4 0 | | |

* The calculation here instituted has not the merit of novelty, though it may be original to its author. The same species of Dr. and Cr. account will be found in some of the pamphlets which have been published on building societies; and particularly in the "Proceedings of the Court of Common Sense," but with this difference that the author of that *brochure* gives it the title—"Calculation to shew what would be the duration of a society, if the shares were fixed at 150*l.* each, the monthly payments twenty shillings per share; the borrowers to pay five per cent. interest, or 1*l.*s 6*d.* per share, and *to receive the full value of their shares without any deduction for premiums or discount!*" and proceeds as follows:—

| Dr. | FIRST YEAR. | Cr. | |
|---|---|---|---|
| To Subscription, 500 shares at 12*l.* .... | 6000 0 | By 41 shares, taken up at 150*l.* each | 6150 0 |
| To Interest, 41 shares average 75*s.* .... | 153 15 | Cash ..... | 3 15 |
| | £6153 15 | | £6153 15 |

† The writer "H. S." supposes in all this that the borrower is liable only for 57*l.*; but from all we can learn—and we have asked the question besides in our letters, and it has not been answered in the negative—the borrowers are bound to pay, in full of all demands, 120*l.* per share; and it is this which constitutes the difference between the apparent and real duration of these societies, between 10 and 17 years.

‡ We would recommend "H. S.," who is quite competent to the task, to work out the several cases with these data:—

| | |
|---|---|
| 100 × 120 = £12,000 | 100 × 63 = £6,300 |
| | 100 × 57 = 5,700 |
| | £12,000 |

These 6,300*l.* of bonus are, what? Are they the premium which has become a shadow of James Blackman, chairman of directors of the Lambeth Building Society? We again pause for a reply. And then let "H. S." say whether we have needlessly made these societies appear worse than he himself does.

| | | | |
|---|---|---|---|
| 10 shares pay each sub. | £60 0 0 | | |
| Interest for 9 years | 21 12 0 | | |
| | | £81 12 0 | and obtain a loan at expiration of 1 year. |
| 11 shares, pay each sub. | 66 0 0 | | |
| Interest for 8 years | 19 4 0 | | |
| | | 79 4 0 | do. 2 do. |
| 11 shares, pay each sub. | 66 0 0 | | |
| Interest for 7 years | 16 16 0 | | |
| | | 76 16 0 | do. 3 do. |
| 12 shares, pay each sub. | 60 0 0 | | |
| Interest for 6 years | 14 8 0 | | |
| | | 74 8 0 | do. 4 do. |
| 13 shares, pay each sub. | 60 0 0 | | |
| Interest for 5 years | 12 0 0 | | |
| | | 72 0 0 | do. 5 do. |
| 13 shares, pay each sub. | 60 0 0 | | |
| Interest for 4 years | 9 12 0 | | |
| | | 69 12 0 | do. 6 do. |
| 8 shares, pay each sub. | 60 0 0 | | |
| Interest for 3 years | 7 4 0 | | |
| | | 67 4 0 | do. 7 do. |
| 21 shares, pay each sub. | 60 0 0 | | and double their capital in 10 years ‖ |

In their prospectus they say that the member only pays an interest of 4 per cent. on the loan. Were the member to receive 60*l.* upon his share, doubtless the interest at 4 per cent. would be exactly what the society charge him, viz. 4*s.* per month, or 2*l.* 8*s.* per annum; but this is a one-sided account, and without reckoning the value of his annual subscription of 6*l.* for 10 years, which at 4 per cent. amounts to 72*l.*, leaving him 12*l.*, after paying his debt of 60*l.* and interest at 4 per cent.¶ Let us take, for example, the first and last cases in our calculation. In the first case, a member joins the society, and pays an annual subscription of 6*l.*; he has appropriated to him at the end of the first year 57*l.*, for which he has to pay annually 2*l.* 8*s.* in addition to his subscription. At the expiration of

| | |
|---|---|
| 10 years, he will have paid ..... | £81 12 0 |
| And have received from the society .... | 57 0 0 |
| Paid for loan of 57*l.* for 9 years ..... | £24 12 0 |

If he had borrowed 57*l.* for 9 years at 4 per cent., and invested his yearly payments at the same rate of interest, his account would have stood thus:—

| | | |
|---|---|---|
| 1st years' investment ..... | | £6 0 0 |
| 9 years do. at 6*l.* 0*s.* each ..... | | 75 12 0 |
| Compound interest 4 per cent. on above .... | | 15 16 9 |
| | | 79 8 9 |
| Sum borrowed ..... | £57 0 0 | |
| 9 years' compound int. at 4 per cent. | 20 10 5 | |
| | 77 10 5 | |
| | £19 18 4 | |
| Or, in other words, he has paid for interest .. | £24 12 0 | |
| The difference between ..... | £20 10 5 | |
| And ..... | 15 16 9 | |
| | 4 13 8 | |
| Is the balance of interest at 4 per cent. | | |
| Paying beyond 4 per cent. ..... | £19 18 4 | |

In the last case a member has appropriated to him 57*l.* at the end of 7 years; at the expiration of 10 years he will have paid 67*l.* 4*s.*, and received from the society 57*l.*—paid for the loan of 57*l.* for 3 years, 10*l.* 4*s.* If he had borrowed at the expiration of 7 years, 57*l.* for 3 years at 4 per cent., and invested his yearly payments at the same rate of interest, his account would have been—

| | | |
|---|---|---|
| 7 years' investment at 6*l.* ..... | | £42 0 0 |
| 3 do. do. 6*l.* 8*s.* ..... | | 25 4 0 |
| Compound interest at 4 per cent. on above .. | | 12 6 6 |
| | | 79 10 6 |
| Sum borrowed ..... | £57 0 0 | |
| 3 years' compound int. at 4 per cent. | 6 16 9 | |
| | 63 16 9 | |
| Excess of interest over 4 per cent. paid to the society ..... | £15 13 9 | |

In fact, the borrowers are paying such rate of interest as the lenders are receiving, and this we find by calculation to be about 15 per cent., and doubling their capital in 10 years by monthly instalments.¶ —I am, Sir, your obedient servant.

H. S.

The *monthly* subscriptions, *fines*, and *forfeiture* of shares, tend to increase the profits above 15 per cent.

We have deemed it our duty not to disturb the calculations of "H. S." in any manner, but to leave them as he has conducted them, believing that without being checked, on his own premises, the computations of the interest are perfectly correct. "H. S." and all men capable of conducting a calculation of

‖ The whole of this elaborate but ingenious process is detailed with great fidelity by "H. S.," but what end does it serve? It does not come near the amount we have shewn to be contributed by the unfortunate borrower.

¶ There is much of truth in this remark, but the whole calculation, which disregards the operation of the bonus of premium, and its terrific re-action on the borrower at the end of 10 years, or for a duration of 17 years, must be erroneous in the extreme.

¶ We have already so fully expounded the operation of these monthly instalments in our previous letters, that we can only refer "H. S." as well as our readers, to those epistles, and leave the question as therein stated. We are not in any way interested in these societies, and have entered on the discussion because we know that "honest and intelligent men" are connected with them; and these we solicit to set the matter right, "that the public may be able to place confidence in them," and that the borrowers may be equitably dealt with.

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